

Report to the Legislature  
Health Care Services Contract Payments/Status and  
Prisoner Health Care Quality Assessment Report  
July 1, 2004

Public Act 154 of 2003 – Section 902(1)

Correctional Medical Services, Inc. (CMS) continues to provide quality services to prisoners and to pay vendors in a timely manner.

**Status of Payments:** The Michigan Department of Corrections (MDOC), Bureau of Fiscal Management, annually audits CMS payment timeliness and accuracy of CMS claims payment information. The last audit showed that the vast majority of clean vendor claims (complete and with authorization codes) are paid within 45 days. High dollar amount vendors are pre-paid by CMS with adjustments quarterly. Monthly reports are received by the MDOC detailing the status of all claims. Disputed claims (those with missing information or without authorization codes) continue to be handled expeditiously by CMS.

**Status of Contract:** The contract has been extended until April 1, 2007. The MDOC is still receiving significant cost savings (conservatively estimated at \$9.4 million a year) and has improved the fill rate in physician and mid-level providers serving the MDOC to above 95% on average. Offsite referrals for medical care have decreased from an average of 2,500 per month to 1,300 per month providing additional spin-off savings due to reduced custody transportation/security costs.

**Assessment of Prisoner Health Care Quality:** Quality is monitored through several internal mechanisms. The MDOC has an extensive internal Performance Improvement System in place for health professionals employed by the MDOC. Investigation of prisoner grievances, family complaints and issues brought to the MDOC by Legislators, have assured that the quality of services provided by CMS meets MDOC expectations. Lawsuits are on the decline since initiation of the contract.